



ECOSYNTHETIX INC

Jeff MacDonald | CEO

Rob Haire | CFO

Investor Presentation Winter 2024

FORWARD LOOKING STATEMENTS

Certain statements contained in this presentation constitute forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. These statements relate to, but are not limited to, future events or future performance, our expectations regarding the Company's growth, results of operations, estimated future revenues, and requirements for additional capital, production costs, future demand for latex-based products, business prospects and opportunities, our ability to successfully commercialize our products, expectations as to the amount of reduction that the Company's products may have on a manufacturer's carbon footprint. Forward-looking statements are often, but not always, identified by use of words such as "may", "will", "should", "could", "seek", "anticipate", "contemplate", "continue", "expect", "intend", "plan", "potential", "budget", "target", "believe", "estimate" and similar expressions. The forward-looking statements in this document include, but are not limited to, statements regarding the Company's expected product pipeline, plans to expand the Company's business into new markets, the Company's ability to achieve organizational efficiencies, and other statements regarding the Company's plans and expectations in 2024. Such statements reflect our current views and beliefs with respect to future events, are subject to risks and uncertainties, and are based upon several estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Those assumptions and risks include, but are not limited to, the Company's ability to successfully allocate capital as needed and to develop new products, as well as the fact that our results of operations and business outlook are subject to significant risk, volatility, and uncertainty. Many factors could cause actual results, performance, or achievements to be materially different from any future results, performance, or achievements that may be expressed or implied by such forward-looking statements.

We have made material assumptions regarding, among other things: that our intellectual property rights are adequately protected; our ability to obtain the materials or services necessary for the production of our products; our ability to convert prospects from the industrial trial phase into full commercial customers; our ability to market products successfully to our customers; that we will continue to possess unique intellectual property rights; changes in demand for and prices of our products or the materials required to produce those products; labour and material costs remaining consistent with our current expectations; the price and availability of substitute or competitive products; and that we do not and will not infringe third party intellectual property rights. Some of our assumptions are based upon internal estimates and analysis of current market conditions and trends, management plans and strategies, economic conditions and other factors and are necessarily subject to risks and uncertainties inherent in projecting future conditions and results.

Some of the risks that could affect our future results and could cause those results to differ materially from those expressed in the forward-looking information include, among other things: the impact of the conflict in Ukraine including the potential expansion of the conflict into other countries or regions; the availability and price of natural feedstocks used in the production of our products; agricultural risks that could impact crop yields and bio-based materials; a significant decrease in the market price of petroleum related feedstocks; inflationary pressures that may affect labor, raw materials, energy, agricultural commodities and other input costs; fluctuations in energy costs used to run production facilities; the inability to effectively expand our production facilities; dependence on certain customers and changes in customer demand; credit and concentration risk associated cash and cash equivalents as

well as accounts receivable; the risk of volatility in global financial conditions, as well as significant decline in general economic conditions; increase in industry competition; variations in our financial results; our ability to effectively commercial market and sell our products; the inability to retain key personnel; the inability to develop new technologies and products; an inability to protect, defend or use our intellectual property and/or infringement of third-party intellectual property; enforcement of intellectual property rights; the ability to acquire intellectual property; the risk of litigation with respect to intellectual property and other matters; our ability to protect our know-how and trade secrets; changes to regulatory requirements, both regionally and internationally, governing development, production, exports, taxes, labour standards, waste disposal, and use, environmental protection, project safety and other matters; the impact of infectious disease outbreaks on our business including a resurgence of COVID-19; changes in government regulations and policies relating to our business; a shortage of supplies, equipment and parts; a breach in cyber-security; company growth and the impact of significant operating and capital cost increases; changes in the current political and regulatory environments in which we operate; the inability to secure additional government grants; a deterioration in our cash balances or liquidity; the inability to obtain equity or debt financing; insufficient product liability insurance; the impact of issuance of additional equity securities on the trading price of the common shares; the impact of ethical, legal and social concerns relating to genetically modified organisms and the food versus fuel debate; the risk of business interruptions; the impact of volatile market price for common shares; the impact of changes in interest rates; the impact of changes in foreign currency exchange; losses from hedging activities and changes in hedging strategy, as well as the factors identified in the "Risk Factors" section of the Company's Annual Information Form dated February 27, 2024. Such factors are not intended to represent a complete list of the factors that could affect us. These factors should be considered carefully, and prospective investors should not place undue reliance on forward-looking information.

IFRS and Non-IFRS Measures

This presentation makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of results of operations of the Company from management's perspective. Accordingly, they should not be considered in isolation or as a substitute for analysis of the financial information of the Company reported under IFRS. We use non-IFRS measures such as Adjusted EBITDA to provide investors with a supplemental measure of operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS financial measures. We also believe that securities analysts, investors, and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Our management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet its capital expenditure and working capital requirements.

Adjusted EBITDA as presented herein is not a recognized measure under IFRS and should not be considered as an alternative to operating income or net income as measures of operating results or an alternative to cash flows as measures of liquidity. Adjusted EBITDA is defined as consolidated net income (loss) before interest, income taxes, depreciation, amortization, impairment loss on property, plant and equipment (PP&E), gain or loss on disposals of PP&E, accretion, and other non-cash expenses deducted in determining consolidated net income (loss).

what we do: POLYMERS FROM GREEN CHEMISTRY

Patented Formula:
Sustainable feedstocks + chemicals



Patented process:
Proprietary continuous
manufacturing process



Patented product:
Engineered biopolymer



Proprietary engineering:
Engineered solutions

OUR DIVERSIFICATION STRATEGY

- 1) WOOD COMPOSITES
- 2) PERSONAL CARE
- 3) PAPER, TISSUE, PACKAGING AND PULP



PERSONAL CARE
hair care

PAPER & PACKAGING
label adhesives

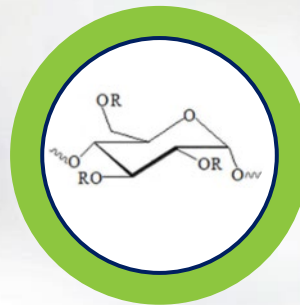
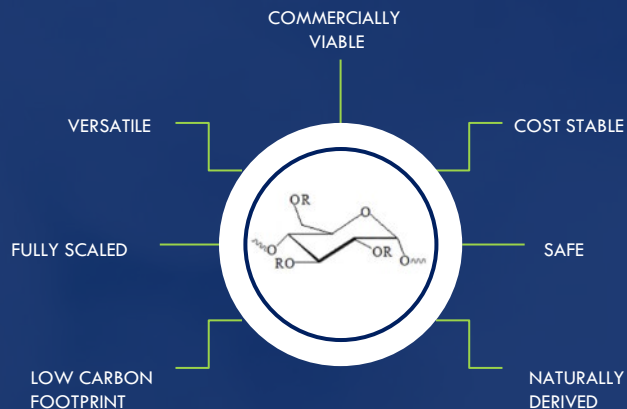
PAPER & PACKAGING
reading and advertising paper

WOOD MATERIALS
for furniture, floors
& construction

PAPER & PACKAGING
solutions

PRODUCTS resonating:

Essential Building Block for Progress



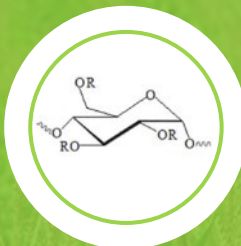
LEADING GLOBAL
MANUFACTURER/
RETAILER

LEADING
GLOBAL TISSUE /
PAPERBOARD
MANUFACTURERS



TOTAL ADDRESSABLE MARKETS today's potential:

ONE PLATFORM –
THREE PRODUCTS



Urea formaldehyde

\$15B

wood resin market



**SB/SA Latex
& Strength Aids**

\$1B+

paper, tissue, packaging
and pulp markets

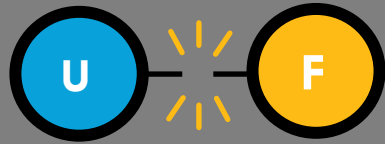
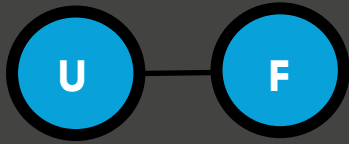


Polyvinylpyrrolidone

\$460M

hair fixative binder market

UREA FORMALDEHYDE:
A HAZARDOUS INGREDIENT IN
WOOD COMPOSITE BINDERS



**THE SEARCH FOR A VIABLE
ALTERNATIVE WITHOUT
FORMALDEHYDE
(PERFORMANCE + PRICE)**



WOOD COMPOSITES:
DuraBind™ the clear incumbent
in the biobased glue market



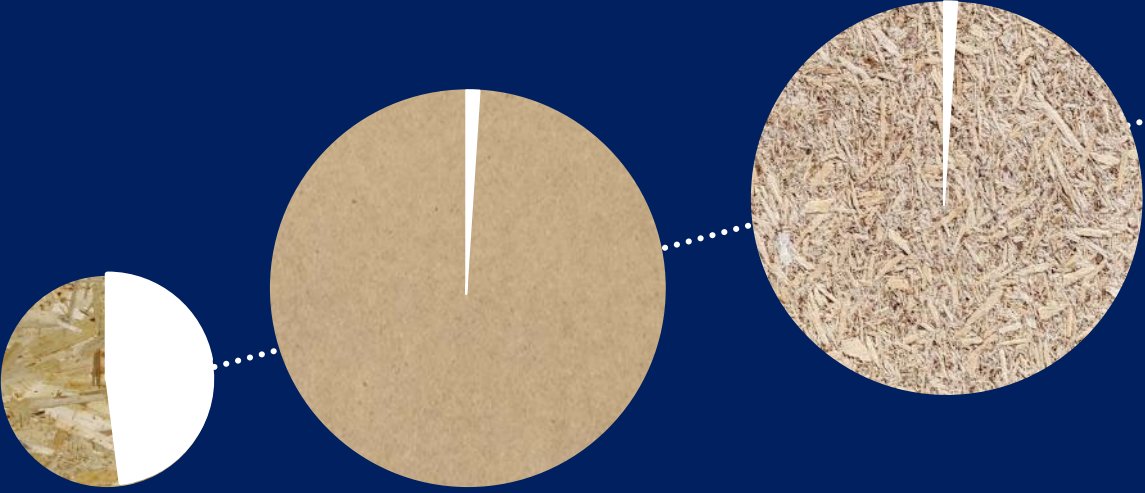
**Carbon footprint
and formaldehyde
reductions**
for wood glues with
sustainable solutions that deliver
**performance and
competitive
economics**



A milestone that will impact our future footprint is the introduction of bio-based glue in one of our board factories. Today, 5% of the climate footprint for the total IKEA value chain is connected to the use of glue in board materials.

The Kazlų Rūda factory in Lithuania became the first IKEA Industry factory to use bio-based glue. This is an important first step in the work to reduce the climate footprint from glue by 30% by FY30. As glue in board materials represents 5% of the total climate footprint within the IKEA value chain, such a decrease will have a significant impact on our climate footprint.

MASSIVE MARKET POTENTIAL FOR A NO ADDED FORMALDEHYDE LEADER



Oriented
Strand Board



Medium Density
Fiberboard



Particle Board



\$15B

Global Wood Resin Market



No Added Formaldehyde
Market Share by Application

BE.YOND

Using only nature ingredients

Japanese standard

Historical considered highest achievable

New emission legislation
in Germany from 01.01.2020

Californian / USA
emission standard

European industry standard
since 1920's

0,01 ppm*



0.005 ppm
Independent third party
testing of wood composite
manufactured with DuraBind

0,03 ppm*

F****

0,05 ppm*

E0.5 (E1 D²⁰²⁰)

0,065 ppm*

CARB II / EPA TSCA Title VI

0,1 ppm*

E1

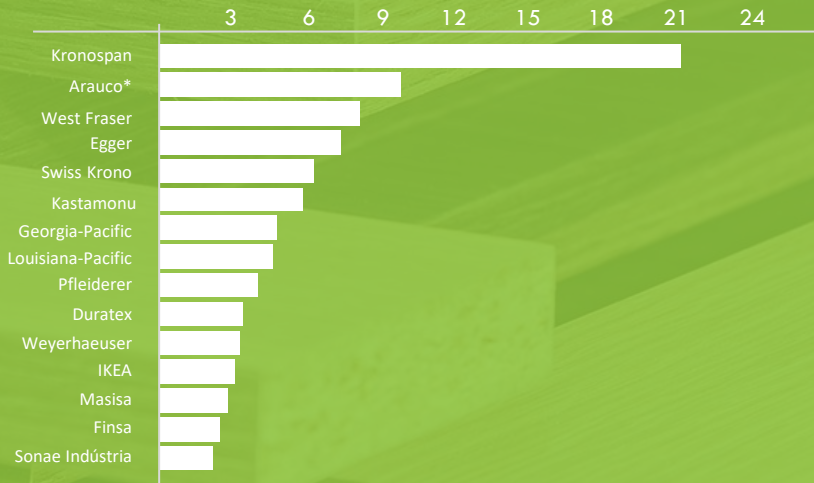
*Limits related to EN 717-1

Source: SWISS KRONO - BE.YOND - Safe and sustainable living and building, July 9, 2019

DURABIND: PERFORMANCE FOR MASS ADOPTION

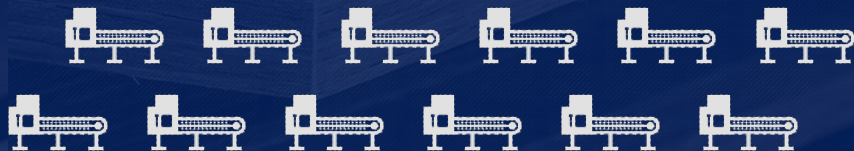
TOP 15 GLOBAL WOOD-BASED PANEL MANUFACTURERS

(Based on production capacity¹ (million m³))



1,000+

serviceable addressable
wood-panel lines globally



\$0.5M to \$3.0M+

annual revenue opportunity per line

1) Source: Arauco, including Hawkins Wright, public company filings and management estimates

* Arauco capacity includes 50% of Montes del Plato, Sonae Arauco and MAPA

PULP-BASED PRODUCTS:

Improving strength and delivering cost reductions through use of lower cost fibers



**RECYCLING
RATES**

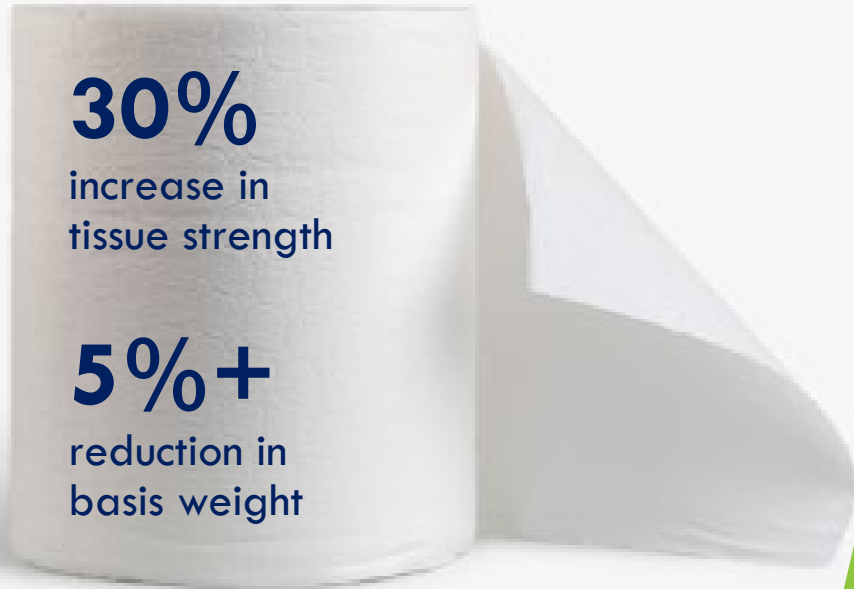


**FIBRE
LENGTH &
STRENGTH**

WHY OUR BIO-POLYMER

- 1) Improved strength
- 2) Increased low-cost filler content
- 3) No negative effects on existing processing
- 4) Minimum sheet breaks
- 5) Increased production speed
- 6) Lower fibre and energy costs
- 7) Proven case studies on tissue, paperboard and pulp applications

TISSUE CASE STUDY:



Toilet tissue made from 100% Virgin Fiber and SurfLock™ increased strength and reduced weight

Mill Objectives:

- Increase tensile strength
- No negative impact on softness and dusting

Additional Benefits:

- Reduced breaks » Increased speed
- Increased productivity
- No negative impact on softness
- Dusting reduced up to 50%
- No increase in COD/BOD

HIGHER STRENGTH PULP PRODUCTS



**Eucalyptus fiber delivers
high tensile and superior
physical properties
to your products**

Replace long and
other short fibers

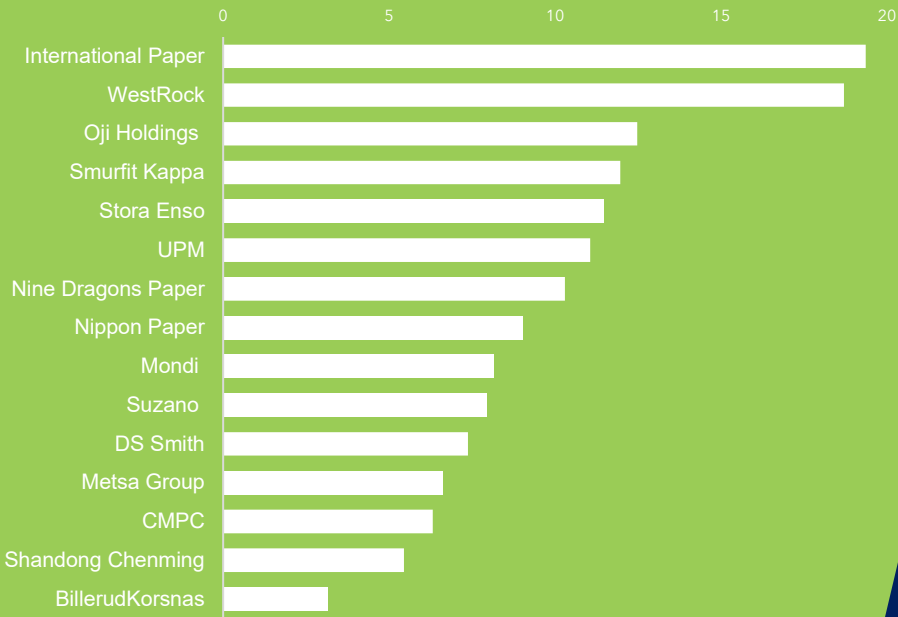
Increase the required
mechanical strengths

Reduce paper grammage
while maintaining the required
mechanical strengths and
saving energy in the same process

Increase filler content while
maintaining the required
mechanical strengths

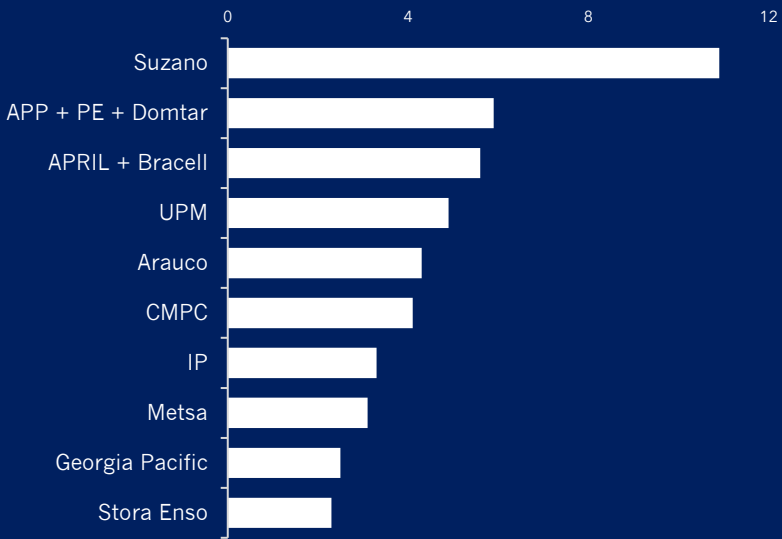
TOP 15 GLOBAL FORESTRY & PAPER COMPANIES

(Based on revenue (USD billions))



TOP 10 GLOBAL PULP COMPANIES

(Market pulp capacity (tonnes millions))



PROGRESS ON OUR ALL-NATURAL POLYMERS FOR PERSONAL CARE

“...committed to bring highly performing and sustainable ingredients to the market.”

Dow press release, Sept. 6, '22



Exclusive partnership with Dow for our all-natural ingredients in personal care

Collaboration helps accelerate Dow's commitment toward a low-carbon, circular economy

Increased volumes in 2023 off a small base driven by more small wins by Dow in hair fixative end market

Dow remains highly engaged and continues to invest resources

Targeting a meaningful share of the \$460M hair fixative market

DOW SELLS ECOSYNTHETIX ALL-NATURAL POLYMER AS MAIZECARE

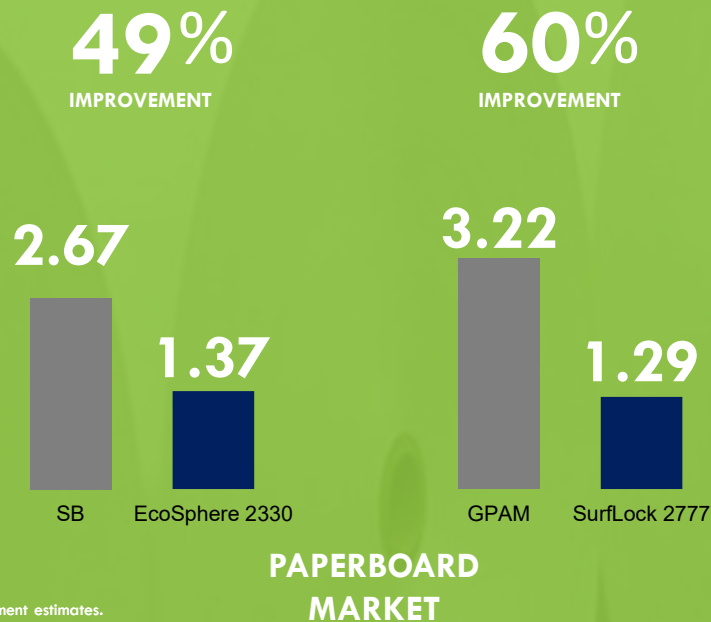


“MaizeCare Clarity Polymer offers hair care formulators the opportunity to design hair styling formulations that can meet growing consumer expectations for natural hair care products”

Dow Personal Care, Personal Care Magazine, June 2022

USE OF OUR BIOPOLYMERS WILL AVOID 1.5X OF OUR CARBON EMISSIONS BY 2027

CO2 REDUCTION BENEFITS FROM ECOSYNTHETIX BIOPOLYMERS VERSUS INCUMBANTS¹ (KILOGRAMS CO2 EQUIVALENT PER KILOGRAM OF DRY PRODUCT)



1) Management estimates.

Best 50 Corporate Citizens in Canada

EcoSynthetix ranked #28 overall
by Corporate Knights in 2023



Platinum

sustainability rating awarded to
EcoSynthetix by EcoVadis

Only Top 1%

of 125,000 companies rated
receive Platinum

BUILDING TO \$100M+ IN SALES

\$100M
SALES

E

NEW WOOD
COMPOSITES
MANUFACTURERS
WITHIN RETAILER'S
SUPPLY CHAIN

D

PERSONAL CARE
MOMENTUM

C

MULTIPLE NEW
LINES IN WOOD
COMPOSITES AND
TISSUE / PACKAGING
AND EARLY PERSONAL
CARE WINS

B

NEW WOOD COMPOSITES
& TISSUE / PACKAGING LINES

A

TODAY: COMMERCIAL WITH
MARKET LEADERS IN EACH VERTICAL

ACHIEVABLE WITH EXISTING PARTNERS



SWISS KRONO



storaenso

LEADING GLOBAL
MANUFACTURER/
RETAILER

LEADING
GLOBAL TISSUE /
PAPERBOARD
MANUFACTURERS

Q4 & FISCAL 2023 FINANCIAL SUMMARY

USD millions (except gross margin)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales	\$2.8	\$5.6	\$12.7	\$19.0
Gross Profit	\$0.5	\$0.9	\$2.8	\$4.2
Gross Margin	16.3%	16.4%	22.0%	21.8%
Gross Margin adjusted for manufacturing depreciation	21.9%	21.4%	28.9%	25.5%
Adjusted EBITDA ¹ (loss)	\$(1.0)	\$(0.3)	\$(2.5)	\$(0.9)

US\$33.3 MILLION IN CASH AND SHORT-TERM INVESTMENTS (12/31/23)

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CORPORATE OVERVIEW

TSX Symbol

ECO

Shares Outstanding

58.6M

Market Capitalization (as at Mar 8, 2024)

C\$280M

Net Debt

Nil

Cash Balance & Short-Term Investments (as at Dec 31, 2023)

US\$33.3M / C\$44.0M



QUESTIONS & ANSWERS